



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Las Vegas Field Office
Special Agent in Charge Tara Sullivan

Date: October 24, 2016

Contact: Special Agent Nakia McCloud
IRS – Criminal Investigation
110 City Parkway
Las Vegas, Nevada 89106
(702) 868-5105
Nakia.McCloud@ci.irs.gov
LVFO-2016-02

NEVADA BUSINESS OWNER AND BOOKKEEPER SENTENCED FOR EMPLOYMENT TAX CRIMES

RENO, Nev. – An owner of several Reno, Nevada landscaping and rock hauling businesses was sentenced yesterday to 10 months in prison for failure to pay over employment taxes, announced Principal Deputy Assistant Attorney General Caroline D. Ciralo, head of the Justice Department’s Tax Division, and U.S. Attorney Daniel G. Bogden of the District of Nevada. The bookkeeper for the business was sentenced to five years’ probation with three months home confinement for willful failure to file an employment tax return.

“Employers have a responsibility to their employees to withhold the proper amount of taxes and pay those taxes over to the IRS,” said Special Agent in Charge Tara Sullivan of IRS Criminal Investigation, Las Vegas Field Office. When employers fail to do so, it affects revenue to the U.S. government, but more importantly, it affects their employees Medicare and social security benefits.”

“The willful failure to comply with employment tax obligations is a crime – plain and simple,” said Principal Deputy Assistant Attorney General Ciralo. “Stealing employee withholdings and failing to pay them over to the U.S. Treasury, gives dishonest employers an unfair advantage over their law-abiding competitors. The department will continue to work with the Internal Revenue Service (IRS) to prosecute these offenders and level the playing field.”

“Defendants’ illegal conduct injured not only the United States, but their former employees,” said U.S. Attorney Bogden. “While the United States of America will foot the bill for the employment and social security taxes that were withheld from the employees’ paychecks, the employees themselves will have any retirement diminished due to the non-reporting of cash wages.”

According to documents filed with the court, Kyle Archie of Reno, was the part owner of Reno Rock Inc., GKPA Inc. and D Rockeries Inc. Kyle Archie admitted that he was responsible for the day-to-day operations of the businesses and that from 2003 through 2009; he had a legal duty to collect, truthfully account for, and pay over employment taxes to the IRS. He further admitted that although he collected these taxes from his employees' wages and held them in trust, he failed to pay them over to the IRS for the third quarter of 2008.

Linda Archie of Reno, who is Kyle Archie's mother, worked as the bookkeeper for Reno Rock Inc., GKPA Inc. and D. Rockeries Inc. and was responsible for maintaining the books and records of the companies and filing documents with various government agencies. She admitted that between 2003 and 2009, she failed to file employment tax returns on behalf of these businesses to account for the taxes that were withheld from the employees' wages.

In addition to the prison term imposed, Kyle Archie was also ordered to serve three years of supervised release, and both Kyle and Linda Archie were ordered to pay restitution to the IRS in the amount of \$1,235,528.28.

Principal Deputy Assistant Attorney General Ciruolo and U.S. Attorney Bogden commended special agents of IRS-Criminal Investigation, who conducted the investigation, and Assistant U.S. Attorney Carla B. Higginbotham of the District of Nevada and Trial Attorney Kathleen M. Barry of the Tax Division, who prosecuted the case.

Additional information about the Tax Division's enforcement efforts can be found on the division's [website](#).

###